

NOV 1 '99

11-30AM

HOPKINS & SUTTER

(A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS)

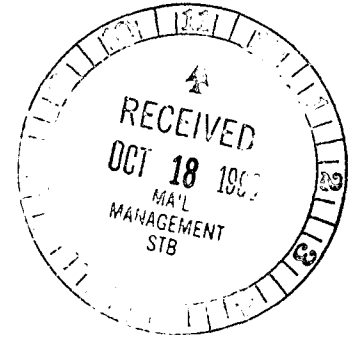
2800 LIVERNOIS SUITE 220 TROY, MI 48083-1220 (248) 740-6600

FAX (248) 740-6613

INTERNET <http://www.hopsut.com>

CHICAGO OFFICE THREE FIRST NATIONAL PLAZA 60602-4209

WASHINGTON, D.C. OFFICE 888 SIXTEENTH STREET, N.W. 20006-4103



MARY P. SCLAWY
(248) 740-6602
Direct Fax: (248) 740-6613
E-Mail: MSclawy@hopsut.com

October 11, 1999

Secretary
Surface Transportation Board
Room 704
1925 K Street, NW
Washington, DC 20423-0001

Dear Secretary:

Enclosed for recordation pursuant to statute and 49 CFR 1177 are counterparts of a Release and Discharge of a security interest in rolling stock and of an assignment of a lease, dated as of September 15, 1999 and executed by The Royal Trust Company as Trustee. The Release pertains to an Indenture, dated as of June 1, 1977, and the granting of a security interest in rolling stock and of the assignment of the lease in the equipment as security. The units covered by the Indenture are various units of rolling stock and rail equipment, more specifically described in Schedule A, attached.

The Indenture was recorded with the ICC on August 29, 1977 under primary recordation number 8953 as 8953-B. The lease was recorded as 8953-A, and a supplement to the Indenture was recorded as 8953-C

The parties to the Indenture and the lease assigned thereby are:

Trustee: The Royal Trust Company, *represented by CIBC Mellon Trust Company*

Owner/
Lessor: Peterson, Howell & Heather (Canada) Limited, *n/k/a*
PHH Canada Inc.

Lessee: Canadian National Railway Company.

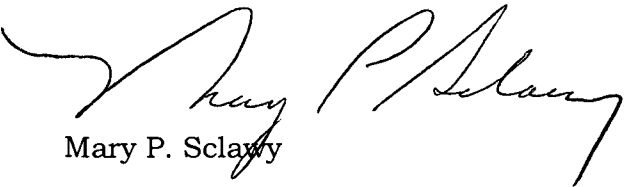
Enclosed is our check in the amount of \$26.

Secretary
October 11, 1999
Page 2

Please accept one counterpart of this document for filing, stamp the remaining counterparts with your recordation number and return them and the fee receipt to the undersigned at the following address:

Mary P. Sclawy
Hopkins & Sutter
2800 Livernois
Suite 220
Troy, MI 48083-1240

Sincerely,



Mary P. Sclawy

Enclosure

cc: John A.N. Lamont: Re CA 2042-55

**The Royal Trust Company, represented by CIBC Mellon Trust Company
2001 University
16th Floor
Montreal Quebec, Canada H3A 2A6**

**Peterson, Howell & Heather (Canada) Limited, n/k/a PHH Canada Inc.
350 Burnhamthorpe Road
Suite 700
Mississauga Ontario, Canada L5B 3P9**

**Canadian National Railway Company
935 de La Gauchetiere Street West
Montreal Quebec, Canada H3B 2M9**

RELEASE AND DISCHARGE

NOV 1 '99

11-30AM

dated as of September 15, 1999

of Trust Indenture dated as of June 1, 1977.

WHEREAS, The Royal Trust Company as trustee ("Trustee") [represented by *CIBC Mellon Trust Company*] and Peterson, Howell & Heather (Canada) Limited (now known as *PHH Canada Inc.*) as owner (the "Company") entered into a Trust Indenture dated as of June 1, 1977, as amended by a First Supplemental Trust Indenture dated as of June 1, 1977, (collectively, the "Indenture") whereby, among other things, the Trustee retained i) a security interest in the Equipment (as defined below) and ii) an assignment of the Lease (as defined below) until the Company fully satisfied its obligations thereunder;

WHEREAS, the Company as lessor and Canadian National Railway Company as lessee entered into a Lease of Railroad Equipment dated as of June 1, 1977 (the "Lease") covering the units of railroad rolling stock and railroad work equipment more particularly described in Schedule A hereto (the "Equipment"); and

WHEREAS, the Company has fully discharged and satisfied its obligations under the Indenture (including, among other things, the full and final repayment all principal moneys, and interest due, on the \$4,500,000 8.25% Notes (as defined in the Indenture) due August 23, 1991).

NOW THEREFORE, the Trustee hereby i) releases and discharges all its estate, right, title and interest in the Mortgaged Property (as defined in the Indenture) including, among other things, all its interests in the Lease and the Equipment thereunder and ii) acknowledges and agrees that the assignment of the Lease, to the Trustee, has terminated.

IN WITNESS WHEREOF, the Trustee has caused this Release and Discharge to be executed, by its officer thereunto duly authorized, as of the year and day first above written.

THE ROYAL TRUST COMPANY,
as Trustee

By: E. Reinhold
Its: Authorized Officer

By: [Signature]
Its: AUTHORIZED OFFICER


Note: On August 29, 1977 at 1:25 P.M., the Trust Indenture was filed with the Interstate Commerce Commission (predecessor to the Surface Transportation Board) pursuant to Section 20c of the Interstate Commerce Act (now 49 U.S.C. S11301) and assigned recordation number 8953-B. The First Supplemental Trust Indenture and the Lease of Railroad Equipment were also filed and assigned recordation numbers 8953-C & 8953-A, respectively.

In August 1977, the Lease of Railroad Equipment, and the 'Consent' of Lessee to the assignment of such Lease to the Trustee, were also deposited in the Office of the Registrar General of Canada pursuant to Section 86 (which became Section 90) of the Railway Act of Canada (now Section 105 of the Canada Transportation Act).

CN File Reference: 2042-55

PROVINCE OF QUEBEC)	<i>In the matter of a Release & Discharge</i>
)	<i>dated as of September 15, 1999.</i>
DISTRICT OF MONTREAL)	

On this 27 day of September, 1999, before me personally appeared E. REINHOLD & P. TREMBLAY, to me personally known, who, being by me duly sworn, says that he / she is AUTHORIZED OFFICERS of CIBC Mellon Trust Company, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he / she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Commissioner for Oaths

My commission expires: 05/12/2000

[Seal]



SCHEDULE A

DESCRIPTION OF THE EQUIPMENT

<u>Type of Equipment</u>	<u>Specifications</u>	<u>Unit Cost to Lessor*</u>	<u>Builder</u>	<u>No. of Units</u>	<u>Unit Numbers</u>
Flat Cars--Bulkhead	70-ton	\$ 28,452.75	National Steel Car Corporation, Limited	55	CN-620443; 620446- 620499
Long Steel Hopper Cars	70-ton	29,419.01	National Steel Car Corporation, Limited	9	CN-302591- 302599
Locomotive Cranes 40/50 ton capacity	Ohio Model DE-400	372,714.29	Woodlings Canada Limited	7	CN-50470- 50476
Standard Burro Crane	Model 40 Ser. # 40-400	192,000.00	Woodlings Canada Limited	1	CN-50477
Burro Crane 12-1/2 ton capacity	Model 40	212,000.00	Woodlings Canada Limited	1	CN-50478
Jordan Spreader Ditcher Snow Plow	Model 4-100	196,000.00	Jackson International Corporation	1	CN-50938

* Expressed in U.S. dollars.